

**IN THE UNITED STATES DISTRICT COURT**  
**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.</b> _____
<b>v.</b>	<b>:</b>	<b>DATE FILED:</b> _____
<b>JOSEPH C. MODERSKI</b>	<b>:</b>	<b>VIOLATIONS:</b>
<b>JOSEPH EVANS</b>		<b>18 U.S.C. § 371 (conspiracy to commit</b>
<b>ERIC SELBY</b>	<b>:</b>	<b>wire and mail fraud - 1 count)</b>
<b>TERRY CROCKETT</b>		<b>18 U.S.C. § 1343 (wire fraud - 1 count)</b>
	<b>:</b>	<b>18 U.S.C. § 1341 (mail fraud - 1 count)</b>
		<b>18 U.S.C. § 2 (aiding and abetting)</b>

**INDICTMENT**

**COUNT ONE**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

1. The Philadelphia International Airport (“PIA”) was owned and operated by the City of Philadelphia. The PIA, a division of the Philadelphia Department of Commerce, was managed by the Director of Aviation, a city employee hired by the Mayor of Philadelphia.
2. JCDecaux SA (formerly known as Decaux SA) (“JCDecaux”) was a French-based, international media company with airport advertising contracts throughout the world and the United States. When, in or about June 1999, JCDecaux acquired the shares of the parent company of an airport advertising company called Sky Sites, Inc., (“Sky Sites”), Sky Sites became a wholly-owned United States subsidiary of JCDecaux. Thereafter, Sky Sites transacted business in the names Sky Sites, JCDecaux Skysites, and JCDecaux Airport Inc., all of which are collectively referred to hereafter as Sky Sites.

3. JCDcaux, through Sky Sites, furnished and maintained indoor, back-lit advertising displays in airports around the United States and sold advertising space on these displays to businesses. Sky Sites secured the right to furnish and sell its advertising displays by entering into concession contracts with states, municipalities, and public agencies with oversight over the airports.

4. In or about 1998, Sky Sites acquired the assets of Ackerley Airport Advertising (“Ackerley”), thereby acquiring Ackerley’s indoor airport advertising contracts in dozens of United States airports, including a lucrative contract at the PIA, where Ackerley had held the contract to furnish and maintain indoor advertising displays in the PIA Terminals A through E since approximately 1987.

5. Defendant JOSEPH EVANS was the CEO of Sky Sites and ran its day to day business operations. EVANS’s responsibilities included overseeing the airport contracts that Sky Sites currently maintained and attempting to obtain new airport contracts and renew current airport contracts, while ensuring that the company and its employees, including him, followed applicable laws.

6. Defendant ERIC SELBY was Sky Sites’s Vice President for the Mid-Atlantic Region, which title he assumed in or around January 1999. Effective in or about August 2000, SELBY’s responsibilities as Vice President for the Mid-Atlantic Region included overseeing advertising sales and developing and maintaining relationships with airport officials. His geographic area of responsibility as Vice President for the Mid-Atlantic Region included the PIA, and he reported to defendant JOSEPH EVANS.

7. Defendant JOSEPH C. MODERSKI was a consultant paid by Sky Sites to assist Sky Sites in winning new business and securing and servicing existing business at the PIA. Before his engagement by Sky Sites, MODERSKI had been retained as a consultant by Ackerley since at least September 1997. As Sky Sites's consultant to the PIA, MODERSKI received \$3,433 per month and additional reimbursement for expenses. MODERSKI and others instructed defendant ERIC SELBY that MODERSKI, not SELBY, would make all contacts with the PIA officials. MODERSKI also raised funds for political candidates and political action committees in Philadelphia and elsewhere.

8. Defendant TERRY CROCKETT was an architect who owned and operated Terry F. Crockett Architects, which was certified as a Disadvantaged Business Enterprise by the Philadelphia Minority Business Enterprise Council. In or about late 1999, defendant JOSEPH C. MODERSKI arranged for CROCKETT to become a subcontractor of Sky Sites in its advertising contract with the PIA, providing architectural and design services to Sky Sites at the PIA.

9. Pennsylvania law, at Title 25, Pennsylvania Statutes, Section 3253(a), prohibited corporations from making a "contribution or expenditure in connection with the election of any candidate or for any political purpose whatever except in connection with any question to be voted on by the electors of this Commonwealth." Pennsylvania law further provided, at Title 25, Pennsylvania Statutes, Section 3254(a), that "it shall be unlawful for any person to make any contribution with funds designated or given to him for the purpose by any other person, firm or corporation. Each person making a contribution shall do so only in his own name."

10. On or about November 1, 1999, the PIA issued a request for proposal ("RFP") to advertising companies, including Sky Sites, soliciting proposals for the right to sell advertising

space in two new PIA terminals. (“Terminals 1 and F”). Four advertising companies responded to the RFP. On or about January 20, 2000, the then-director of the PIA presumptively awarded the advertising contract for Terminals 1 and F to Sky Sites’s competitor, Interspace Airport Advertising, by choosing Interspace as the company with whom the PIA would negotiate a contract to provide the advertising services described in the RFP.

11. In or about February 2000, at the suggestion of defendant JOSEPH C. MODERSKI, defendants JOSEPH EVANS and ERIC SELBY hired counsel in Philadelphia on behalf of Sky Sites, who sent a letter to the Mayor of Philadelphia protesting the selection of Interspace for the Terminal 1 and F advertising contract.

12. In or about March 2000, the Mayor of Philadelphia fired the then-director of PIA. In May 2000, the new acting PIA director appointed by the Mayor of Philadelphia nullified the presumptive selection of Interspace and allowed Sky Sites and Interspace and the other original responders to make new presentations to PIA officials.

13. In or about April 2001, the PIA presumptively awarded the advertising contract for Terminals 1 and F to Sky Sites by choosing Sky Sites as the company with whom the PIA would negotiate a contract to provide the advertising services described in the RFP. In July 2002, the PIA formally contracted with Sky Sites to provide and maintain advertising displays at PIA Terminals 1 and F by entering into a written contract.

## **THE CONSPIRACY**

14. From in or about August 2000 through on or about July 17, 2001, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**JOSEPH C. MODERSKI,  
JOSEPH EVANS,  
ERIC SELBY, and  
TERRY CROCKETT**

conspired and agreed, together and with others known and unknown to the grand jury, to commit an offense against the United States, that is, to devise and intend to devise a scheme to defraud Sky Sites and JCDecaux and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and to use interstate wire communications, United States mails and other interstate delivery services to further the scheme to defraud in violation of Title 18, United States Code, Sections 1341 and 1343.

## **MANNER AND MEANS**

It was part of the conspiracy that:

15. Defendants JOSEPH C. MODERSKI, JOSEPH EVANS, and ERIC SELBY attempted to influence Philadelphia officials and others they believed were in a position to award or influence the award of advertising business at the PIA.

16. Defendant JOSEPH C. MODERSKI told defendants JOSEPH EVANS, ERIC SELBY, and TERRY CROCKETT that making contributions to public officials' campaigns and political action committees of those officials' financial supporters would favorably influence those officials to take official acts in favor of Sky Sites.

17. Defendants JOSEPH C. MODERSKI, JOSEPH EVANS, ERIC SELBY, and TERRY CROCKETT, knowing that corporations were prohibited by law in Pennsylvania from making contributions to candidates for political office and political action committees, decided to use JCDecaux's and Sky Sites's funds to make contributions to candidates for political office and to political action committees, and attempted to conceal from the public, JCDecaux, and Sky Sites that they were doing these illegal acts.

18. Defendants JOSEPH C. MODERSKI, JOSEPH EVANS, and ERIC SELBY used JCDecaux's and Sky Sites's funds to make contributions to political candidates and political action committees by fraudulently inducing Sky Sites to make payments to MODERSKI and others for ostensibly non-political purposes. In fact, these payments reimbursed MODERSKI, SELBY, and TERRY CROCKETT for political contributions made by MODERSKI and others at his behest, including SELBY and CROCKETT.

19. Defendants JOSEPH C. MODERSKI, JOSEPH EVANS, ERIC SELBY and TERRY CROCKETT communicated by United States mail and private courier service, interstate e-mails, interstate telephone calls, and in-person meetings.

20. Defendants JOSEPH EVANS and ERIC SELBY created and maintained handwritten notes of their conversations and agreements to assist themselves in implementing the agreements to make illegal political contributions and to fraudulently obtain reimbursement of the monies used to make these contributions from JCDecaux and Sky Sites.

## **OVERT ACTS**

In furtherance of the conspiracy, defendants JOSEPH C. MODERSKI, JOSEPH EVANS, ERIC SELBY, and TERRY CROCKETT, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about August 22, 2000, defendant JOSEPH MODERSKI faxed to defendant ERIC SELBY copies of unsigned, draft letters from the director of PIA to Sky Sites and Interspace notifying those companies that the PIA had narrowed the selection down to Sky Sites and Interspace. The cover page of the fax noted that the director's final letter would be sent out the next day. A signed copy of the director's letter to Sky Sites was not received by SELBY until on or about August 28, 2000.

2. In the meantime, on or about August 22 and 23, 2000, defendant JOSEPH MODERSKI requested that defendant ERIC SELBY obtain from Sky Sites a \$10,000 check payable to MODERSKI to fund a political contribution MODERSKI intended to make in MODERSKI's name to the Friends of John Street, the political campaign fund of Philadelphia Mayor John F. Street.

3. On or about August 22 and 24, 2000, defendants JOSEPH EVANS and ERIC SELBY discussed defendant JOSEPH MODERSKI's proposal to have Sky Sites fund Moderski's \$10,000 political contribution to Friends of John Street described above. EVANS told SELBY that Sky Sites could not directly reimburse MODERSKI for the political contribution because JCDecaux was about to become a publicly traded company, possibly subjecting JCDecaux's and Sky Sites's records to increased scrutiny. Instead of authorizing the direct reimbursement from Sky Sites to MODERSKI, EVANS instructed SELBY to pay

MODERSKI a \$10,000 sham bonus to disguise the use of Sky Sites's funds to reimburse MODERSKI for his anticipated \$10,000 contribution to Friends of John Street. EVANS suggested to SELBY what language to use in a cover letter to MODERSKI purporting to justify the sham bonus.

4. On or about August 28, 2000, defendant ERIC SELBY informed defendant JOSEPH C. MODERSKI in a letter that MODERSKI would receive the \$10,000 bonus from Sky Sites.

5. On or about August 28, 2000, defendant ERIC SELBY issued a check request to Sky Sites to pay defendant JOSEPH C. MODERSKI a \$10,000 bonus.

6. On or about September 5, 2000, defendant JOSEPH C. MODERSKI wrote a \$10,000 check on his personal checking account to Friends of John Street, and provided a photocopy of the check to defendant ERIC SELBY.

7. On or about September 15, 2000, Sky Sites issued a \$10,000 check payable to defendant JOSEPH C. MODERSKI, which MODERSKI negotiated on or about September 20, 2000.

8. In or about April and May 2001, after learning that the PIA had presumptively awarded the Terminal 1 and F advertising contract to Sky Sites rather than to Interspace, defendants JOSEPH C. MODERSKI, JOSEPH EVANS, and ERIC SELBY discussed attempting to extend Sky Sites's contract to provide advertising services in PIA Terminals A through E, which was due to expire in January 2003.

9. On or about May 23, 2001, defendants JOSEPH C. MODERSKI, JOSEPH EVANS, and ERIC SELBY decided that Sky Sites should fund a \$30,000 political contribution



to a political action committee, which supported, among others, the Mayor of Philadelphia, to encourage airport officials to extend the company's advertising contract for Terminals A through E. During that conversation, defendant JOSEPH EVANS authorized that plan, which Evans knew was in violation of Pennsylvania law.

10. In or about May 2001, because Sky Sites could not itself make a political contribution in Pennsylvania, defendants JOSEPH C. MODERSKI, ERIC SELBY, and TERRY CROCKETT agreed that CROCKETT would create a fraudulent \$30,000 invoice to submit to Sky Sites so that MODERSKI, SELBY, and CROCKETT could obtain from Sky Sites \$30,000 in payment of the fraudulent invoice, and use that money to each make a \$10,000 political contribution in his own name.

11. On or about May 31, 2001, defendant TERRY CROCKETT created a fraudulent invoice addressed to "JCDecaux Sky Sites" in the amount of \$30,000 for "consultation services."

12. On or about June 6, 2001, defendant TERRY CROCKETT sent by facsimile the fraudulent \$30,000 invoice described above from his office in Philadelphia, PA to defendant ERIC SELBY's Sky Sites office in Arlington, VA.

13. On or about June 6, 2001, defendant JOSEPH EVANS instructed defendant ERIC SELBY, in contravention of Sky Sites's practice for obtaining authorization of payment of invoices for capital expenses, not to send the fraudulent \$30,000 invoice to Sky Sites's Executive Vice President, thereby concealing the fraudulent invoice from Sky Sites and JCDecaux executives and employees who were unaware of the prohibited political contribution.

14. On or about June 6, 2001, instead of sending defendant TERRY CROCKETT's fraudulent \$30,000 invoice to Sky Sites's Executive Vice President, defendant ERIC SELBY

created and authorized a fraudulent “JCDecaux” purchase order to secure payment from Sky Sites for CROCKETT’s fraudulent invoice, which SELBY transmitted directly to Sky Sites’s New York headquarters.

15. On or about June 8, 2001, Sky Sites’s Chief Financial Officer, who reported directly to defendant JOSEPH EVANS, signed a handwritten Sky Sites check payable to Terry Crockett Architects in the amount of \$30,000, in payment of defendant TERRY CROCKETT’s fraudulent \$30,000 invoice.

16. On or about June 12, 2001, defendants JOSEPH EVANS and ERIC SELBY caused the \$30,000 Sky Sites check payable to Terry Crockett Architects to be sent by Federal Express from Sky Sites’s office in New York to defendant TERRY CROCKETT in Philadelphia.

17. On or about June 13, 2001, defendant TERRY CROCKETT deposited the \$30,000 check from Sky Sites into his business bank account at First Union Bank.

18. On or about June 15, 2001, defendant TERRY CROCKETT wrote a \$21,000 check from his business checking account at First Union Bank, which he deposited into his personal checking account at the Philadelphia Federal Credit Union.

19. On or about June 21, 2001, defendant TERRY CROCKETT issued from his business checking account at First Union Bank a check payable to defendant JOSEPH MODERSKI in the amount of \$10,000, which MODERSKI deposited into his personal checking account at Firsttrust Bank on the same day.

20. On or about June 21, 2001, defendant TERRY CROCKETT issued from his personal checking account at the Philadelphia Federal Credit Union a check payable to Citizens Action Political Action Committee (PAC) in the amount of \$10,000.

21. On or about June 21, 2001, defendant TERRY CROCKETT issued from his personal checking account at the Philadelphia Federal Credit Union a check to defendant ERIC SELBY in the amount of \$10,000, but the check bounced when SELBY later presented it to his bank.

22. On or about June 21, 2001, defendants JOSEPH MODERSKI and TERRY CROCKETT attended a political fundraiser for the Mayor of the City of Philadelphia held at Philadelphia City Hall.

23. On or about June 22, 2001, defendant JOSEPH C. MODERSKI issued from his personal Firsttrust Bank checking account a check payable to Citizens Action PAC in the amount of \$10,000.

24. On or about June 22, 2001, defendant ERIC SELBY issued from his personal Bank of America checking account a check payable to Citizen's Action PAC in the amount of \$10,000.

25. On or about July 3, 2001, the Citizen's Action PAC issued a \$25,000 check to Friends of John Street.

26. On or about July 17, 2001, defendant TERRY CROCKETT issued from his personal checking account at the Philadelphia Federal Credit Union a check payable to defendant ERIC SELBY in the amount of \$10,000 to replace the prior check, dated on or about June 21, 2001, to SELBY that had bounced, which SELBY caused to be deposited into his bank account on or about July 18, 2001.

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 13 and 15 through 20 and Overt Acts 1 through 26 of Count One of this indictment are incorporated here.

2. From in or about August 2000 through on or about July 17, 2001, defendants

**JOSEPH C. MODERSKI,  
JOSEPH EVANS,  
ERIC SELBY, and  
TERRY CROCKETT**

devised and intended to devise a scheme to defraud Sky Sites and JCDcaux and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about June 6, 2001, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOSEPH C. MODERSKI,  
JOSEPH EVANS,  
ERIC SELBY, and  
TERRY CROCKETT,**

having devised the scheme to defraud Sky Sites and JCDcaux and to obtain money and property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted, and aided and abetted the transmission of, signals and sounds by means of wire communication in interstate commerce, that is, a facsimile of the fraudulent \$30,000 invoice sent from defendant TERRY CROCKETT in Philadelphia, PA to defendant ERIC SELBY in Arlington, VA.

In violation of Title 18, United States Code, Sections 1343 and 2.

**COUNT THREE**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 13 and 15 through 20 and Overt Acts 1 through 26 of Count One of this indictment are incorporated here.

2. From in or about August 2000 through on or about July 17, 2001, defendants

**JOSEPH C. MODERSKI and  
JOSEPH EVANS**

devised and intended to devise a scheme to defraud Sky Sites and JCDcaux and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. On or about June 12, 2001, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOSEPH C. MODERSKI and  
JOSEPH EVANS,**

having devised the scheme to defraud Sky Sites and JCDcaux and to obtain money and property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by commercial interstate carrier according to the directions thereon, and aided and abetted the delivery of, a \$30,000 check payable to Terry Crockett Architects sent from Sky Sites, 150 E. 58<sup>th</sup> Street, New York, New York, 10155 to TERRY CROCKETT, 316 Queen Street, Philadelphia, PA, 19147.

In violation of Title 18, United States Code, Sections 1341 and 2.

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

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**PATRICK L. MEEHAN  
UNITED STATES ATTORNEY**